



**Picard Bondco**

**Unaudited Interim Condensed Consolidated Financial Statements as at and  
for the three and six months ended September 30, 2021**

**November 29, 2021**

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## Introduction

### Highlights

The financial results of Picard Bondco and its consolidated subsidiaries (the “Group”, “Picard”, “Picard Group”, “we”, “our” or “us”) for Q2 2022 (the quarter ended September 30, 2021) include the following highlights:

- Q2 2022 sales of goods decreased by 1.1% to €332.3 million, from €336.1 million in Q2 2021, mainly due to a 2.6% decrease in our French like-for-like sales;
- Our gross margin slightly increased to 44.6% in Q2 2022 from 44.4% in Q2 2021; and
- Q2 2022 EBITDA decreased by 3.7% to €49.8 million, from €51.7 million in Q2 2021, mainly due to lower sales and higher logistics costs driven by higher transportation costs, explained notably by the increase in fuel prices.

CEO Cathy Collart-Geiger commented: “Our Q2 2022 sales of goods remained strong, but slightly declined compared with Q2 2021 when our sales had been positively impacted by the COVID-19 pandemic and had showed a 14.8% increase compared to Q2 2020. During the quarter, on a like-for-like basis, we experienced a decrease in the total number of tickets (-1.0%) and a lower average basket size (-1.7%), but like-for-like sales remained in excess of pre-COVID levels. Home delivery sales increased by 8.2% during Q2 2022, compared with Q2 2021, when home delivery sales had already increased significantly compared with Q2 2020 (+53.0%).

During the second quarter, we opened one directly operated store in mainland France as part of our expansion strategy, which, together with other stores opened in the last twelve months, increased our French sales by €2.7 million compared with Q2 2021. Over this same period, we also continued our international expansion, establishing a presence in Taiwan with RT Mart.

Our Q2 2022 gross profit decreased by €0.9 million, or 0.6%, from €149.3 million in Q2 2021 to €148.3 million in Q2 2022. Our gross margin slightly increased to 44.6% in Q2 2022 from 44.4% in Q2 2021.

Our EBITDA decreased by 3.7%, from €51.7 million in Q2 2021 to €49.8 million in Q2 2022 but remained much higher than the pre-COVID €40.9 million EBITDA in Q2 2020. This decrease was mainly due to lower sales and the rise of logistics costs related to the transportation of our products, partly offset by the increase in the gross margin rate. EBITDA margin stood at 15.0%, lower than the 15.4% reported last year, but also showing a significant increase compared to the pre-COVID 14.0% of Q2 2020.

In light of the continuing uncertainties regarding the social, public health and economic situation in France, management remains cautious with respect to future results. Our strategy for the coming quarters remains focused on the implementation of our strategic growth plan initiated last year and mainly concentrated on the optimization of the like-for-like sales performance, the expansion of our footprint in France and abroad and capturing shares in growing channels, notably omnichannel shopping solutions.”

### About Picard

Picard is the leading retailer of frozen food products in France, and the pioneer in the sector. We offer our customers approximately 1,250 different frozen food SKUs, including unprocessed meat, fish and seafood, fruits and vegetables and bakery products, as well as a full range of ready-made starters, main courses, desserts and ice cream at various prices. We introduced the concept of premium quality, appetizing frozen food to French consumers when we opened our first store in Paris in 1974. Since then, we have continued to develop the market for frozen food products in France by transforming the way the French public perceives and consumes frozen food. As of September 30, 2021, we had 1,060 stores in France (including two franchised stores in Corsica, 10 franchised stores in La Réunion, two franchised stores in the French West Indies, three franchised stores in New Caledonia and 26 franchised stores in mainland France), 15 stores in Belgium, one store in Luxembourg, 10 franchised stores in Scandinavia and 15 franchised stores in Japan. We also sell Picard-branded products in Italy through a commercial agreement with an Italian retailer, in the UK through two partnerships with Ocado and Marks & Spencer, in the Netherlands through a partnership with Albert Heijn, and in Singapore through a partnership with Redmart, as well as in Hong Kong, the UAE and Taiwan. Our Swedish operations were sold to our joint-venture

partner as of August 15, 2018, and a new franchise agreement was signed on the same date under which we supply Picard-branded products to the Swedish franchisee. The franchisee continues the development of the business in Sweden through various channels, including franchised stores and a contract with ICA under which the franchisee supplies ICA with Picard-branded products for corners within ICA's supermarkets and hypermarkets.

On October 14, 2010, Picard Groupe S.A.S. was acquired by funds managed or advised by Lion Capital LLP ("Lion Capital"). Lion Capital is a consumer retail-oriented investment firm with a focus on investments in mid-size and large, consumer-oriented brands in Europe and North America.

On August 19, 2015, Aryzta, a worldwide group active in the food industry and leader in the manufacturing and distribution of bakery-related products to industrial companies, acquired a 49.5% interest in the Picard Group's indirect parent company, Lux HoldCo, from Lion Capital.

On October 4, 2019, Aryzta announced that it had received a binding offer from Invest Group Zouari ("IGZ") to sell a 42% stake in the Picard Group. The transaction was completed in January 2020. In January 2021, Aryzta sold its remaining stake in Picard to Lion Capital and IGZ, leaving Lion Capital and IGZ with respective stakes of 51.8% and 45.4%.

On October 6, 2010, Picard Bondco issued €300 million aggregate principal amount of 9% Senior Notes due 2018 (the "2010 Senior Notes"), and on October 14, 2010, Lion Polaris S.A.S. (a subsidiary of Picard Bondco, which merged with Picard Groupe S.A. on June 20, 2011 and was renamed Picard Groupe S.A.S.) borrowed €625 million under senior credit facilities. In 2010 and 2011, Picard PIKco S.A. (the direct parent company of Picard Bondco) also issued 12% PIK Notes due 2019 (the "PIK Notes") in an original aggregate principal amount of €95 million.

On August 1, 2013, Picard Groupe S.A.S. issued €480 million aggregate principal amount of floating rate senior secured notes due 2019 (the "2013 Senior Secured Notes"), the proceeds of which were used, along with cash in hand, to permanently repay the €625 million senior credit facilities entered into in 2010 in their entirety. On the same date, Picard Groupe S.A.S. entered into a €30 million revolving credit facility (the "2013 Revolving Credit Facility").

On September 29, 2014, Picard Bondco elected to redeem €115 million of its 2010 Senior Notes. The partial redemption occurred on October 29, 2014. On March 9, 2015, Picard Bondco redeemed the remaining €185 million outstanding of its 2010 Senior Notes.

On February 20, 2015, Picard Groupe S.A.S. issued €342 million aggregate principal amount of additional 2013 Senior Secured Notes, while, at the same time, Picard Bondco issued €428 million aggregate principal amount of 7.75% Senior Notes due 2020 (the "2015 Senior Notes"). The proceeds of the additional 2013 Senior Secured Notes and the 2015 Senior Notes were used to (i) redeem the 2010 Senior Notes, (ii) pay the unpaid interest and the redemption premium associated with the redemption, (iii) fund distributions to the shareholders of Picard Bondco and its subsidiaries (the "Picard Group" or the "Group") and (iv) pay all fees and expenses related to the refinancing. In connection with the refinancing, Picard PIKco S.A. issued additional PIK Notes in an aggregate principal amount of €40 million and repurchased and cancelled €20 million of previously issued PIK Notes. On February 20, 2015, the terms of the PIK Notes were also amended to extend the maturity date to 2020, among other things.

On April 1, 2016, Picard Groupe S.A.S. elected to redeem €50 million of its 2013 Senior Secured Notes. The partial redemption occurred on May 3, 2016.

On December 14, 2017, Picard Groupe S.A.S. issued €1,190 million aggregate principal amount of Floating Rate Senior Secured Notes due 2023 (the "2017 Senior Secured Notes") and Picard Bondco issued €310 million aggregate principal amount of 5.50% Senior Notes due 2024 (the "2017 Senior Notes" and, together with the 2017 Senior Secured Notes, the "2017 Notes"). The gross proceeds from the sale of the 2017 Notes were used to (i) make a distribution to Picard PIKco S.A. in order to redeem Picard PIKco S.A.'s outstanding 11% PIK Notes due 2020, including accrued and uncapitalized interest and the applicable redemption premium, (ii) redeem Picard Bondco's outstanding principal amount of 2015 Senior Notes, including accrued and unpaid interest and applicable redemption premium, (iii) redeem Picard Groupe S.A.S.'s outstanding principal amount of 2013 Senior Secured Notes, including accrued and unpaid interest, (iv) fund distributions to the shareholders of the Picard Group, and (v) pay fees and expenses related to the transactions. On the same date, Picard Groupe S.A.S. and other entities of the Picard Group entered into a €30 million revolving credit facility (the "2017 Revolving Credit Facility").

On May 14, 2018, Picard Groupe S.A.S. issued an additional €60 million aggregate principal amount of 2017 Senior Secured Notes. The gross proceeds from the sale of the additional 2017 Senior Secured Notes were used, together with cash on hand, to (i) fund €77 million in distributions to the shareholders of the Picard Group and (ii) pay fees and expenses related to the transactions.

On July 7, 2021, Picard Groupe S.A.S. issued €750 million of 3.875% Sustainability-Linked Fixed Rate Senior Secured Notes due 2026 (the “Fixed Rate Senior Secured Notes”), Lion/Polaris Lux 4 S.A. issued €650 million of Sustainability-Linked Floating Rate Senior Secured Notes due 2026 (the “Floating Rate Senior Secured Notes” and, together with the Fixed Rate Senior Secured Notes, the “Senior Secured Notes”) and Picard Bondco issued €310 million of 5.375% Sustainability-Linked Senior Notes due 2027 (the “Senior Notes” and, together with the Senior Secured Notes, the “Notes”). The gross proceeds from the sale of the Notes were used, together with cash on hand, to (i) redeem Picard Groupe S.A.S.’s outstanding 2017 Senior Secured Notes, including accrued interest, (ii) redeem Picard Bondco’s outstanding 2017 Senior Notes, including accrued interest and the applicable redemption premium, (iii) fund distributions to the shareholders of the Picard Group and (iv) pay fees and expenses related to the transactions. On July 1, 2021, Picard Groupe S.A.S. and other entities of the Picard Group also entered into a €60 million revolving credit facility (the “Revolving Credit Facility”), which replaced the 2017 Revolving Credit Facility. See note 9.2 of the “Notes to the interim condensed consolidated financial statements” to the Picard Bondco September 30, 2021 financial statements.

## Reporting

This report is the report as of and for the quarter ended September 30, 2021 required pursuant to Section 4.03 of each of the indenture governing the Fixed Rate Senior Secured Notes, as amended and supplemented from time to time (the “Fixed Rate Senior Secured Notes Indenture”), the indenture governing the Floating Rate Senior Secured Notes, as amended and supplemented from time to time (the “Floating Rate Senior Secured Notes Indenture” and, together with the Fixed Rate Senior Secured Notes Indenture, the “Senior Secured Notes Indentures”) and the indenture governing the Senior Notes, as amended and supplemented from time to time (the “Senior Notes Indenture” and, together with the Senior Secured Notes Indentures, the “Indentures”), as well as clause 23.1 and clause 1.1.(b) of Schedule 19 of the agreement governing the Revolving Credit Facility (the “Revolving Credit Facility Agreement”).

## Presentation of Financial Information

### Financial Statements Presented

This report contains the unaudited interim condensed consolidated financial statements of Picard Bondco, the reporting entity for the Picard Group, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (“IFRS-EU” or “IFRS”).

We have prepared the unaudited condensed consolidated financial statements for Picard Bondco for the period from April 1, 2021 to September 30, 2021, which are presented in this report in accordance with IFRS, including (i) the consolidated balance sheet as of September 30, 2021, (ii) the consolidated income statement and the consolidated statement of comprehensive income for the three- and six-month periods ended September 30, 2021 and (iii) the consolidated statement of cash flows for the six-month period ended September 30, 2021.

The accounting policies of Picard Bondco as set out in the Picard Bondco annual consolidated financial statements as of and for the year ended March 31, 2021 under IFRS have been consistently applied, except for the adoption of new standards and interpretations effective as of April 1, 2021. See note 2.2 of the “Notes to the Consolidated Financial Statements” to the Picard Bondco annual consolidated financial statements for a discussion of Picard Bondco’s significant accounting policies and note 2.1.1 of the “Notes to the interim condensed consolidated financial statements” to the Picard Bondco September 30, 2021 financial statements for a discussion of the new accounting standards and interpretations in effect starting from April 1, 2021.

Following the December 2019 publication of the IFRS Interpretations Committee (IFRS IC) decision clarifying the rules for determining the term of leases within the scope of IFRS 16 – Leases, the Group conducted analyses to measure the corresponding impacts and then implemented them in its financial and accounting systems. Prior periods have been restated to reflect certain resulting changes. These analyses also took into account the position

statement published by the French accounting standards authority (*Autorité des normes comptables – ANC*) on July 3, 2020, which supersedes the previous statement dated February 16, 2018, to determine the IFRS 16 lease terms of “3/6/9”- type French commercial leases, notably those which have entered an automatic renewal period. See notes 2.1.1.1 and 2.1.1.2 of the “Notes to the Consolidated Financial Statements” to the Picard Bondco annual consolidated financial statements” and notes 2.2 and 2.3 of the “Notes to the interim condensed consolidated financial statements” to the Picard Bondco September 30, 2021 financial statements for more information. Note that the Group did not apply this decision when preparing its September 30, 2020 condensed consolidated interim financial statements, but the September 30, 2021 financial statements present comparative information as for the six months ended September 30, 2020 on a recast (indicated as “restated”) basis.

### Other Financial Measures

The following measures are the primary non-IFRS financial measures that are presented in this report.

EBITDA is a non-IFRS measure that represents operating profit before depreciation and amortization. This measure is derived from income statement account items calculated in accordance with IFRS and is used by management as an indicator of operating performance. EBITDA differs from the definitions of “Consolidated EBITDA” under the Indentures and the Revolving Credit Facility Agreement.

EBITDA, as presented in this report, is not a measurement of financial performance under IFRS-EU and should not be considered as an alternative to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS-EU.

Since April 1, 2019, the Group has applied IFRS 16 in accordance with the modified retrospective approach. The application of this standard significantly increases the Group’s EBITDA.

“French like-for-like sales” refers to like-for-like sales made through directly-operated stores in mainland France, excluding franchises in mainland France, Corsica, the French West Indies and La Réunion, and also excluding Click & Collect sales. For the purpose of like-for-like calculations, a store will be included (i) on the first day of the twelfth month following its opening date if it was opened between the first and the fifteenth day of any given month and (ii) on the first day of the thirteenth month following its opening date in all other cases. Like-for-like sales growth is presented because we believe it is frequently used by investors and other interested parties in evaluating companies in the retail sector. However, other companies may define like-for-like sales growth in a different manner than we do.

### **For Further Information**

Investor Relations: [investor\\_relations@picard.fr](mailto:investor_relations@picard.fr)

## Management's Discussion and Analysis of Financial Condition and Results of Operations for Picard Bondco

The historical information discussed below for Picard Bondco is as of and for the three-month and six-month periods ended September 30, 2020 and September 30, 2021 and is not necessarily representative of Picard Bondco's results of operations for any future period or our financial condition at any future date. We have prepared the unaudited interim condensed consolidated financial statements for Picard Bondco for the period from April 1, 2021 to September 30, 2021, included herein, in accordance with IFRS; such financial information has not been audited or reviewed by any auditor.

The following discussion includes "forward-looking statements" based on our current expectations and projections about future events. All statements other than statements of historical facts included in this discussion, including, without limitation, statements regarding our tax rate on long-term deferred taxes, revenue and operating profits, strategy, capital expenditures, expected investments, projected costs, our plans and objectives for future operations, may be deemed to be forward looking statements. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on assumptions that could potentially be inaccurate and that could cause future results to differ materially from those expected or implied by the forward-looking statements. Our future results could differ materially from those anticipated in our forward-looking statements for many reasons, including due to changes in tax laws or their application or interpretation, more generally, or unfavorable changes in the tax rate on long-term deferred taxes, more specifically, economic and other trends affecting the food retail industry, changes in consumer preferences, the competitive environment in which we operate and other factors described in the section entitled "Risk Factors" in our annual report for the year ended March 31, 2021. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

Percentages may be calculated on non-rounded figures and therefore may vary from percentages calculated on rounded figures.

In this report, unless otherwise indicated, all amounts are expressed in millions of euro.

### Selected Condensed Consolidated Financial Information of Picard Bondco

Currency: in million of €	Three months* ended		Six months* ended					
	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020	Sept. 30, 2021				
<b>Sales</b>	<b>336.1</b>	<b>332.3</b>	<b>737.0</b>	<b>733.6</b>	<b>(3.8)</b>	<b>-1.1%</b>	<b>(3.4)</b>	<b>-0.5%</b>
Cost of goods sold	(186.9)	(184.0)	(409.8)	(405.6)	2.9	-1.5%	4.2	-1.0%
<b>Gross profit</b>	<b>149.3</b>	<b>148.3</b>	<b>327.3</b>	<b>328.0</b>	<b>(1.0)</b>	<b>-0.6%</b>	<b>0.7</b>	<b>0.2%</b>
Other operating income	1.3	1.2	2.7	2.3	(0.1)	-8.5%	(0.4)	-15.0%
Other purchase and external expenses	(45.8)	(46.8)	(94.2)	(99.1)	(1.0)	2.2%	(4.9)	5.2%
Taxes	(4.1)	(3.8)	(8.4)	(8.0)	0.3	-7.8%	0.4	-4.8%
Personnel expenses	(48.4)	(48.7)	(97.5)	(99.9)	(0.3)	0.6%	(2.4)	2.4%
Other operating expenses	(0.7)	(0.5)	(1.2)	(1.1)	0.2	-23.5%	0.1	-5.9%
<b>EBITDA</b>	<b>51.7</b>	<b>49.8</b>	<b>128.7</b>	<b>122.3</b>	<b>(1.9)</b>	<b>-3.7%</b>	<b>(6.4)</b>	<b>-5.0%</b>
Depreciation and amortization	(23.6)	(24.5)	(47.5)	(48.8)	(0.9)	3.9%	(1.3)	2.8%
<b>Operating profit</b>	<b>28.0</b>	<b>25.2</b>	<b>81.2</b>	<b>73.4</b>	<b>(2.8)</b>	<b>-10.0%</b>	<b>(7.8)</b>	<b>-9.6%</b>
Finance costs	(16.1)	(34.5)	(32.4)	(50.6)	(18.4)	113.7%	(18.2)	56.3%
Finance income	0.0	0.0	0.1	0.0	0.0	-107.2%	(0.1)	-71.9%
Share of profit in an associate	(2.7)	0.2	(2.5)	0.5	2.9	-108.4%	3.0	-120.0%
<b>Income / loss before tax</b>	<b>9.3</b>	<b>(9.0)</b>	<b>46.4</b>	<b>23.4</b>	<b>(18.3)</b>	<b>-197.1%</b>	<b>(23.0)</b>	<b>-49.6%</b>
Income tax expense / benefit	(4.9)	1.5	(20.2)	(12.3)	6.4	-131.3%	7.9	-39.1%
<b>Net income / loss</b>	<b>4.4</b>	<b>(7.5)</b>	<b>26.2</b>	<b>11.1</b>	<b>(11.9)</b>	<b>-271.4%</b>	<b>(15.1)</b>	<b>-57.8%</b>
Equity holders of the parent	4.4	(7.5)	26.2	11.1				
Non-controlling interests								

(\*) Unaudited.

The following discussion and analysis summarizes EBITDA for the three-month and six-month periods ended September 30, 2020 and September 30, 2021. EBITDA is a non-IFRS measure that represents operating profit before depreciation and amortization. This measure is derived from income statement account items



calculated in accordance with IFRS-EU and is used by management as an indicator of operating performance. EBITDA differs from the definitions of “Consolidated EBITDA” under our Indentures and our Revolving Credit Facility Agreement. See “*Presentation of Financial Information*”.

## **Results of Operations**

### ***Expansion of store network***

As of September 30, 2021, we had 1,060 stores in France (including two franchised stores in Corsica, 10 franchised stores in La Réunion, two franchised stores in the French West Indies, three franchised stores in New Caledonia and 26 franchised stores in mainland France), 15 stores in Belgium, one store in Luxembourg, 10 franchised stores in Scandinavia and 15 franchised stores in Japan.

### ***Sales of goods***

#### ***Six months ended September 30, 2020 and September 30, 2021***

Our sales of goods decreased by €3.4 million, or 0.5%, from €737.0 million for the six months ended September 30, 2020 to €733.6 million for the six months ended September 30, 2021. Sales in the six months ended September 30, 2021 had increased significantly, by 19.9%, compared to the comparable period in the prior year as a result of the start of the pandemic.

In France, sales of goods decreased by €1.2 million, or 0.2%, from €717.6 million for the six months ended September 30, 2020 to €716.4 million for the six months ended September 30, 2021. French like-for-like sales decreased by 1.6% in the six months ended September 30, 2021, as compared to the six months ended September 30, 2020, as a result of a 8.6% decrease in the average basket size, partially offset by a 7.6% increase in the total number of tickets. These evolutions reflected the normalization of our customers’ habits, notably during the first quarter of FY22.

Our performance during the period was impacted by the COVID-19 pandemic, notably during the first six weeks of the period with restrictions in place in France until mid-May. The COVID-19 crisis has had a positive impact on the frozen food market, frozen food being considered as both safer and more convenient during such a period.

In addition, sales of goods performance remained strong after the progressive easing of restrictions in France. In particular, the basket size continued to exceed that of pre-COVID levels, confirming the trend observed in FY21.

Home delivery sales increased by 2.7%, or €0.6 million, during the six months ended September 30, 2021, compared with the six months ended September 30, 2020. This also remains a strong performance given the 84.7% increase recorded last year at the start of the pandemic compared to the comparable period in the prior year, and is in line with the strategic plan currently being implemented, aiming at developing our digital offer and our omnichannel shopping experience.

Abroad, we observed a slight decline due to a slight normalization following the strong growth recorded in the comparable period last year. Sales in Belgium and Luxembourg decreased by €0.4 million, or 4.5%, from €8.5 million for the three months ended September 30, 2020 to €8.1 million for the three months ended September 30, 2021.

Sales in other locations with our partners and franchisees declined from €11.0 million for the six months ended September 30, 2020 to €8.8 million for the six months ended September 30, 2021, in spite of the additional sales with our partners in Hong Kong, in Taiwan and in the UAE. In particular, sales in the United Kingdom decreased by €0.9 million as we experienced Brexit-related delays with respect to importing our products to the United Kingdom with our partner Marks & Spencer and sales in Japan were down by €1.3 million partly due to the normalization of customers’ habits and lower sales in Japan in Q1 FY22 following an increased volume of sales at the end of Q4 FY 21 FY21.

#### ***Three months ended September 30, 2020 and September 30, 2021***

Our sales of goods decreased by €3.8 million, or 1.1%, from €336.1 million for the three months ended September 30, 2020 to €332.3 million for the three months ended September 30, 2021.

In France, sales of goods decreased by €3.0 million, or 0.9%, from €326.7 million for the three months ended September 30, 2020 to €323.7 million for the three months ended September 30, 2021. French like-for-like sales



decreased by 2.6% in the three months ended September 30, 2021, as compared to the three months ended September 30, 2020, as a result of a 1.0% decrease in the total number of tickets combined with a 1.7% decrease in the average basket size for the reasons described above.

Sales in Belgium and Luxembourg slightly decreased by €0.1 million, from €3.7 million for the three months ended September 30, 2020 to €3.6 million for the three months ended September 30, 2021.

Sales in other locations with our partners and franchisees decreased from €5.8 million for the three months ended September 30, 2020 to €5.1 million for the three months ended September 30, 2021, in spite of the additional sales with our partners in Hong Kong, Taiwan and the UAE. In particular, sales in the United Kingdom decreased by €0.6 million as we experienced Brexit-related delays with respect to importing our products to the United Kingdom with our partner Marks & Spencer.

### ***Cost of goods sold***

#### *Six months ended September 30, 2020 and September 30, 2021*

Our cost of goods sold decreased by €4.2 million, or 1.0%, from €409.8 million for the six months ended September 30, 2020 to €405.6 million for the six months ended September 30, 2021, mainly due to lower sales and an increase in the gross profit margin. Cost of goods sold as a percentage of sales slightly decreased from 55.6% for the six months ended September 30, 2020 to 55.3% for the six months ended September 30, 2021.

#### *Three months ended September 30, 2020 and September 30, 2021*

Our cost of goods sold decreased by €2.9 million, or 1.5%, from €186.9 million for the three months ended September 30, 2020 to €184.0 million for the three months ended September 30, 2021, mainly due to lower sales and an increase in the gross profit margin. Cost of goods sold as a percentage of sales slightly decreased from 55.6% for the three months ended September 30, 2020 to 55.4% for the three months ended September 30, 2021.

### ***Gross profit***

#### *Six months ended September 30, 2020 and September 30, 2021*

Our gross profit slightly increased by €0.7 million, or 0.2%, from €327.3 million for the six months ended September 30, 2020 to €328.0 million for the six months ended September 30, 2021, primarily as a result of the increase in the margin rate. Gross profit as a percentage of sales of goods slightly increased from 44.4% for the six months ended September 30, 2020 to 44.7% for the six months ended September 30, 2021, notably due to improved commercial terms with suppliers, a slightly favorable product mix effect following the normalization of the consumption habits of our customers and the decline in the contribution of sales to international partners (which have a lower margin than sales in our directly operated stores) to total sales.

#### *Three months ended September 30, 2020 and September 30, 2021*

Our gross profit decreased by €0.9 million, or 0.6%, from €149.3 million for the three months ended September 30, 2020 to €148.3 million for the three months ended September 30, 2021, primarily as a result of lower sales. Gross profit as a percentage of sales of goods increased from 44.4% for the three months ended September 30, 2020 to 44.6% for the three months ended September 30, 2021, notably due to improved commercial terms with suppliers, a slightly favorable product mix effect following the normalization of the consumption habits of our customers and the decline in the contribution of sales to international partners to total sales.

### ***Other operating income***

#### *Six months ended September 30, 2020 and September 30, 2021*

Other operating income decreased by €0.4 million, from €2.7 million for the six months ended September 30, 2020 to €2.3 million for the six months ended September 30, 2021.

#### *Three months ended September 30, 2020 and September 30, 2021*

Other operating income decreased by €0.1 million, from €1.3 million for the three months ended September 30, 2020 to €1.2 million for the three months ended September 30, 2021.

### ***Other purchases and external expenses***

*Six months ended September 30, 2020 and September 30, 2021*

Our other purchases and external expenses increased by €4.9 million, or 5.2%, from €94.2 million for the six months ended September 30, 2020 to €99.1 million for the six months ended September 30, 2021. This increase was primarily due to higher advertising costs linked to the launch of a new brand communication campaign in the first three months of the period (compared to the limited expenses during the lockdown in the three months ended June 30, 2020, as our campaign in April and May 2020 had been cancelled) and to higher logistics costs driven by higher transportation costs, explained notably by the increase in fuel prices. Other operating expenses, such as energy costs that were hedged in FY21 or maintenance expenses, remained well controlled.

*Three months ended September 30, 2020 and September 30, 2021*

Our other purchases and external expenses increased by €1.0 million, or 2.2%, from €45.8 million for the three months ended September 30, 2020 to €46.8 million for the three months ended September 30, 2021. This increase was mainly due to higher logistics costs driven by higher transportation costs, explained notably by the increase in fuel prices. Other costs remained well controlled.

### ***Taxes other than on income***

*Six months ended September 30, 2020 and September 30, 2021*

Taxes other than on income decreased by €0.4 million, from €8.4 million for the six months ended September 30, 2020 to €8.0 million for the six months ended September 30, 2021. This decrease was explained by taxes based on sales (mainly “*contribution sociale de solidarité des sociétés*”) and taxes based on profit sharing (“*forfait social*”). Taxes other than on income as a percentage of sales of goods remained stable at 1.1% for the six months ended September 30, 2020 and the six months ended September 30, 2021.

*Three months ended September 30, 2020 and September 30, 2021*

Taxes other than on income decreased by €0.3 million, from €4.1 million for the three months ended September 30, 2020 to €3.8 million for the three months ended September 30, 2021 for the reasons described above. Taxes other than on income as a percentage of sales of goods decreased from 1.2% for the three months ended September 30, 2020 to 1.1% for the three months ended September 30, 2021.

### ***Personnel expenses***

*Six months ended September 30, 2020 and September 30, 2021*

Personnel expenses increased by €2.4 million, or 2.4%, from €97.5 million for the six months ended September 30, 2020 to €99.9 million for the six months ended September 30, 2021. As a proportion of sales of goods, personnel expenses increased from 13.2% for the six months ended September 30, 2020 to 13.6% for the six months ended September 30, 2021.

Wages and salaries increased by €2.4 million, or 3.7%, from €64.9 million for the six months ended September 30, 2020 to €67.3 million for the six months ended September 30, 2021, as a result of the annual salary increase, the expansion of our network, as well as an increase in temporary staff to support sales growth in Q1, who had not been recruited in the comparable period last year given the unexpected rise in sales and the public health situation. As a proportion of sales of goods, wages and salaries increased from 8.8% for the six months ended September 30, 2020 to 9.2% for the six months ended September 30, 2021.

Employee profit sharing decreased by €1.0 million, from €9.2 million for the six months ended September 30, 2020 to €8.2 million for the six months ended September 30, 2021, as a result of both the decrease in contractual

profit sharing (“*intéressement*”), which is computed based on sales performance and legal profit sharing (“*participation aux bénéfices*”), computed on taxable income.

Other personnel expenses increased by €0.9 million, from €23.4 million for the six months ended September 30, 2020 to €24.3 million for the six months ended September 30, 2021, mainly driven by a €0.6 million increase in social security costs, following the increase in salaries. As a proportion of sales of goods, social security costs increased from 2.7% for the six months ended September 30, 2020 to 2.8% for the six months ended September 30, 2021.

*Three months ended September 30, 2020 and September 30, 2021*

Personnel expenses increased by €0.3 million, or 0.6%, from €48.4 million for the three months ended September 30, 2020 to €48.7 million for the three months ended September 30, 2021. As a proportion of sales of goods, personnel expenses increased from 14.4% for the three months ended September 30, 2020 to 14.6% for the three months ended September 30, 2021.

Wages and salaries increased by €0.4 million, or 1.3%, from €33.2 million for the three months ended September 30, 2020 to €33.6 million for the three months ended September 30, 2021, as a result of an increase of the annual salary increases in France and Belgium and the expansion of our store network. As a proportion of sales of goods, wages and salaries increased from 9.9% for the three months ended September 30, 2020 to 10.1% for the three months ended September 30, 2021.

Employee profit sharing decreased by €0.6 million, from €3.6 million for the three months ended September 30, 2020 to €3.0 million for the three months ended September 30, 2021, as a result of both the decrease in contractual profit sharing (“*intéressement*”), which is computed based on sales performance and legal profit sharing (“*participation aux bénéfices*”), computed on taxable income.

Other personnel expenses increased by €0.4 million, from €11.6 million for the three months ended September 30, 2020 to €12.0 million for the three months ended September 30, 2021, mainly driven by a €0.3 million increase in social security costs, following the increase in salaries. As a proportion of sales of goods, social security costs increased from 2.9% for the three months ended September 30, 2020 to 3.1% for the three months ended September 30, 2021.

***Other operating expenses***

*Six months ended September 30, 2020 and September 30, 2021*

Our other operating expenses decreased by €0.1 million, from €1.2 million for the six months ended September 30, 2020 to €1.1 million for the six months ended September 30, 2021.

*Three months ended September 30, 2020 and September 30, 2021*

Our other operating expenses decreased by €0.2 million from €0.7 million for the three months ended September 30, 2020 to €0.5 million for the three months ended September 30, 2021.

***EBITDA***

*Six months ended September 30, 2020 and September 30, 2021*

EBITDA decreased by €6.5 million, or 5.0%, from €128.7 million for the six months ended September 30, 2020 to €122.3 million for the six months ended September 30, 2021. As a proportion of sales of goods, EBITDA decreased from 17.5% for the six months ended September 30, 2020 to 16.7% for the six months ended September 30, 2021. This decrease is primarily due to decrease in sales and an increase in our operating expenses partly offset by an increase in our margin rate.

*Three months ended September 30, 2020 and September 30, 2021*

EBITDA decreased by €1.9 million, or 3.7%, from €51.7 million for the three months ended September 30, 2020 to €49.8 million for the three months ended September 30, 2021. As a proportion of sales of goods, EBITDA decreased from 15.4% for the three months ended September 30, 2020 to 15.0% for the three months ended September 30, 2021.

### ***Depreciation and amortization***

#### *Six months ended September 30, 2020 and September 30, 2021*

Depreciation and amortization increased by €1.3 million, from €47.5 million for the six months ended September 30, 2020 to €48.8 million for the six months ended September 30, 2021. As a proportion of sales of goods, depreciation and amortization increased from 6.4% for the six months ended September 30, 2020 to 6.7% for the six months ended September 30, 2021.

#### *Three months ended September 30, 2020 and September 30, 2021*

Depreciation and amortization increased by €0.9 million, from €23.6 million for the three months ended September 30, 2020 to €24.5 million for the three months ended September 30, 2021.

### ***Operating profit***

#### *Six months ended September 30, 2020 and September 30, 2021*

Operating profit decreased by €7.8 million, or 9.6%, from €81.2 million for the six months ended September 30, 2020 to €73.4 million for the six months ended September 30, 2021, as a result of the factors discussed above. As a proportion of sales of goods, operating profit decreased from 11.0% for the six months ended September 30, 2020 to 10.0% for the six months ended September 30, 2021.

#### *Three months ended September 30, 2020 and September 30, 2021*

Operating profit decreased by €2.8 million, or 10.0%, from €28.0 million for the three months ended September 30, 2020 to €25.2 million for the three months ended September 30, 2021, as a result of the factors discussed above. As a proportion of sales of goods, operating profit decreased from 8.3% for the three months ended September 30, 2020 to 7.6% for the three months ended September 30, 2021.

### ***Finance costs***

#### *Six months ended September 30, 2020 and September 30, 2021*

Finance costs increased by €18.2 million from €32.4 million for the six months ended September 30, 2020 to €50.6 million for the six months ended September 30, 2021. This increase in finance costs was mainly due to the refinancing operation that occurred in July triggering a write-off of non-amortized issuance fees on the 2017 Notes, representing €5.8 million and an early redemption premium paid in respect of the 2017 Senior Notes representing €8.5 million. In addition, following the increase in the principal amount of debt as well as the increase in the interest rate on the Notes (compared to the 2017 Notes), recurring interest expense increased by €3.7 million from €28.9 million to €32.6 million.

#### *Three months ended September 30, 2020 and September 30, 2021*

Finance costs increased by €18.3 million from €16.1 million for the three months ended September 30, 2020 to €34.5 million for the three months ended September 30, 2021. This increase in finance costs was mainly due to the refinancing operation that triggered non-recurring costs as described above. In addition, following the increase in the principal amount of debt as well as the increase in the interest rate on the Notes (compared to the 2017 Notes), recurring interest expense increased by €3.8 million from €14.5 million to €18.3 million.

### ***Share of profit in an associate***

*Six months ended September 30, 2020 and September 30, 2021*

Share of profit in an associate increased by €3.0 million from a loss of €2.5 million for the six months ended September 30, 2020 to a profit of €0.5 million for the six months ended September 30, 2021. The profit in the six months ended September 30, 2021 was due to the improvement in the result of our associate Primex International in which we have a 37.2% interest. Primex Norway, a subsidiary of Primex International, developed a fish plant in Norway in 2018 and has since faced significant start-up costs to operate this facility. Primex International therefore partially recorded non-cash impairments of its investment in Primex Norway to reflect these operational losses during FY 2021. The activity of the plant has now improved, but the valuation of Primex International will continue to be closely monitored by the Group.

*Three months ended September 30, 2020 and September 30, 2021*

Share of profit in an associate increased by €2.9 million from a loss of €2.7 million for the three months ended September 30, 2020 to a profit of €0.2 million for the three months ended September 30, 2021, for the reasons explained above.

### ***Income before tax***

*Six months ended September 30, 2020 and September 30, 2021*

Income before tax decreased by €23.0 million, from €46.4 million for the six months ended September 30, 2020 to €23.4 million for the six months ended September 30, 2021. As a proportion of sales of goods, income before tax decreased from 6.3% for the six months ended September 30, 2020 to 3.2% for the six months ended September 30, 2021.

*Three months ended September 30, 2020 and September 30, 2021*

Income before tax decreased by €18.3 million, from a profit of €9.3 million for the three months ended September 30, 2020 to a loss of €9.0 million for the three months ended September 30, 2021.

### ***Income tax expense / (benefit)***

*Six months ended September 30, 2020 and September 30, 2021*

Income tax expense decreased by €7.9 million, from €20.2 million for the six months ended September 30, 2020 to €12.3 million for the six months ended September 30, 2021. Income tax expense represented 43.5% of income before tax for the six months ended September 30, 2020 and 52.6% for the six months ended September 30, 2021.

*Three months ended September 30, 2020 and September 30, 2021*

Income tax expense decreased by €6.4 million from a charge of €4.9 million for the three months ended September 30, 2020 to a credit of €1.5 million for the three months ended September 30, 2021.

### ***Net income***

*Six months ended September 30, 2020 and September 30, 2021*

Net income decreased by €15.1 million, from €26.2 million for the six months ended September 30, 2020 to €11.1 million for the six months ended September 30, 2021, as a result of the factors described above.

*Three months ended September 30, 2020 and September 30, 2021*

Net income decreased by €11.8 million, from a profit of €4.4 million for the three months ended September 30, 2020 to a loss of €7.5 million for the three months ended September 30, 2021, as a result of the factors described above.

#### **Certain Material Differences in the Financial Condition and Results of Operations Between Picard Bondco and Lion/Polaris Lux 4 S.A.**

The consolidated financial information of Picard Bondco does not reflect intercompany loans between Picard Bondco and its subsidiaries. As of September 30, 2021, no intercompany loan from Picard Bondco or Lion/Polaris Lux Midco S.à r.l. to Lion/Polaris Lux 4 S.A. or any of its subsidiaries and no intercompany loan from Lion/Polaris Lux 4 S.A. or any of its subsidiaries to Picard Bondco or Lion/Polaris Midco S.à r.l. was outstanding.

In addition, Picard Groupe S.A.S. is the issuer of the Fixed Rate Senior Secured Notes and Lion/Polaris Lux 4 S.A. is the issuer of the Floating Rate Senior Secured Notes. The Fixed Rate Senior Secured Notes and the Floating Rate Senior Secured Notes are guaranteed on a senior basis by Picard Bondco, Lion/Polaris Lux Midco S.à r.l., (in the case of the Fixed Rate Senior Secured Notes) Lion/Polaris Lux 4 S.A., Lion Polaris II S.A.S. and (in the case of the Floating Rate Senior Secured Notes) Picard Groupe S.A.S. Picard Bondco is the issuer of the Senior Notes. The Senior Notes are guaranteed on a subordinated basis by Lion/Polaris Lux Midco S.à r.l. and Lion/Polaris Lux 4 S.A.

The results of operations of Picard Bondco and its subsidiaries do not differ materially from those of Lion/Polaris Lux 4 S.A. and its subsidiaries. The difference in EBITDA is primarily due to the holding company expenses of Picard Bondco and Lion/Polaris Lux Midco S.à r.l.

#### **Unaudited Interim Condensed Consolidated Financial Statements of Picard Bondco**



## **Picard Bondco**

# Unaudited interim condensed consolidated financial statements

September 30, 2021

4, rue Lou Hemmer, L-1748 Senningerberg, Grand Duchy of Luxembourg  
RCS Luxembourg: B 154899  
Subscribed capital: EUR 2,641,726



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## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

(In thousands of €)		For the three-month period ended September 30, 2021	For the three-month period ended September 30, 2020 Restated (a)	For the six-month period ended September 30, 2021	For the six-month period ended September 30, 2020 Restated (a)
	Notes				
Sales of goods	4	332 333	336 140	733 612	737 025
Cost of goods sold		(184 029)	(186 890)	(405 585)	(409 754)
<b>Gross profit</b>		<b>148 304</b>	<b>149 250</b>	<b>328 027</b>	<b>327 271</b>
Other operating income	5.1	1 231	1 346	2 336	2 749
Other purchase and external expenses		(46 809)	(45 784)	(99 054)	(94 156)
Taxes		(3 756)	(4 075)	(8 024)	(8 425)
Personnel expenses	5.2	(48 651)	(48 366)	(99 907)	(97 542)
Depreciation & amortization		(24 541)	(23 625)	(48 832)	(47 524)
Other operating expenses	5.3	(538)	(703)	(1 112)	(1 181)
<b>Operating profit</b>		<b>25 241</b>	<b>28 043</b>	<b>73 434</b>	<b>81 192</b>
Finance costs	5.4	(34 478)	(16 135)	(50 583)	(32 354)
Finance income / (loss)	5.4	(4)	49	33	119
Share of profit in an associate	6	223	(2 666)	505	(2 528)
<b>Income before tax</b>		<b>(9 018)</b>	<b>9 292</b>	<b>23 389</b>	<b>46 428</b>
Income tax expense / benefit	7	1 542	(4 929)	(12 313)	(20 206)
<b>Net income / (loss)</b>		<b>(7 476)</b>	<b>4 363</b>	<b>11 076</b>	<b>26 223</b>
Attributable to:					
Equity holders of the parent		(7 476)	4 363	11 076	26 223
Non-controlling interests			-		-
Earnings per share:					
Basic earnings per share (in euros)		(2,83)	1,65	4,19	9,93
Fully diluted earnings per share (in euros)		(2,83)	1,65	4,19	9,93

*The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements*

*(a) Comparative data for 2020 have been restated in the unaudited interim condensed consolidated financial statements as of September 30, 2021 to reflect the decision by the IFRS Interpretation Committee (IFRS IC) published in December 2019 on leases falling within the scope of IFRS 16. See note 2.3 Restatement of comparative information.*

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

(In thousand of €)	Notes	For the three-month period ended September 30, 2021	For the three-month period ended September 30, 2020 Restated (a)	For the six-month period ended September 30, 2021	For the six-month period ended September 30, 2020 Restated (a)
<b>Net income / (loss)</b>		<b>(7 476)</b>	<b>4 363</b>	<b>11 076</b>	<b>26 223</b>
Net gain / (loss) on cash flow hedges	9.4	-	-		
Income tax		-	-	-	-
<b>Items not to be reclassified to profit and loss:</b>					
Actuarial gains / (loss) of the period		-	-	-	-
Income tax		-	-	-	-
Foreign currency translation		-	-	-	-
<i>Other comprehensive income / (loss) for the period, net of</i>		-	-	-	-
<b>Comprehensive income / (loss)</b>		<b>(7 476)</b>	<b>4 363</b>	<b>11 076</b>	<b>26 223</b>
Attributable to:					
Equity holders of the parent		(7 476)	4 363	11 076	26 223
Non-controlling interests		-	-	-	-

***The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements***

*(a) Comparative data for 2020 have been restated in the unaudited interim condensed consolidated financial statements as of September 30, 2021 to reflect the decision by the IFRS Interpretation Committee (IFRS IC) published in December 2019 on leases falling within the scope of IFRS 16. See note 2.3 Restatement of comparative information.*

## CONSOLIDATED BALANCE SHEET (UNAUDITED)

<i>(In thousands of €)</i>	Notes	As at September 30, 2021	As at March 31, 2021
<b>Assets</b>			
Goodwill		815 170	815 170
Property, plant and equipment		230 733	227 305
Right-of-use assets	8.1	413 952	427 925
Other intangible assets		800 712	799 023
Investment in an associate		4 488	3 982
Other non-current financial assets	9.1	10 871	11 266
<b>Total non-current assets</b>		<b>2 275 926</b>	<b>2 284 671</b>
Inventory		110 442	102 306
Trade and other receivables		48 525	56 563
Income tax receivable		16 383	3 216
Current financial assets	9.1	78	75
Cash and cash equivalents	10	95 526	291 734
<b>Total current assets</b>		<b>270 956</b>	<b>453 894</b>
Assets held for sale			
<b>Total assets</b>		<b>2 546 882</b>	<b>2 738 565</b>
<b>Equity and liabilities</b>			
Issued capital		2 642	2 642
Share premium		97	97
Other comprehensive income		(413)	(413)
Retained earnings		(29 354)	149 208
Net income of the period		11 076	99 351
<b>Equity attributable to equity holders of the parent</b>		<b>(15 952)</b>	<b>250 885</b>
Non-controlling interests		-	-
<b>Total equity</b>		<b>(15 952)</b>	<b>250 885</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	9.2	1 688 244	1 554 142
Other non-current financial liabilities	9.3	314 953	328 642
Provisions		10 648	9 461
Employee benefit liability		10 207	9 881
Deferred tax liability		219 186	219 752
<b>Total non-current liabilities</b>		<b>2 243 238</b>	<b>2 121 877</b>
<b>Current liabilities</b>			
Trade and other payables		251 882	305 106
Income tax payable		-	1 327
Interest-bearing loans and borrowings	9.2	11 901	4 432
Other current financial liabilities	9.3	55 813	54 938
<b>Total current liabilities</b>		<b>319 596</b>	<b>365 803</b>
<b>Total liabilities</b>		<b>2 562 834</b>	<b>2 487 680</b>
Liabilities held for sale			
<b>Total equity and liabilities</b>		<b>2 546 882</b>	<b>2 738 565</b>

*The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements*

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

<i>(In thousands of €)</i>	Issued capital	Share premium	Actuarial gain / (losses)	Total other comprehensive income	Retained earnings	Net income	Equity attributable to equity holders of the parent	Non-controlling interest	Total Equity
<b>As at March 31, 2020</b>	<b>2 642</b>	<b>97</b>	<b>(350)</b>	<b>(350)</b>	<b>123 916</b>	<b>52 208</b>	<b>178 513</b>	<b>-</b>	<b>178 513</b>
IFRS 16 first application adjustments	-	-	-	-	-	-	-	-	-
IFRS IC interpretation adjustments	-	-	-	-	-	(2 406)	(2 406)	-	(2 406)
<b>As at March 31, 2020 Restated (a)</b>	<b>2 642</b>	<b>97</b>	<b>(350)</b>	<b>(350)</b>	<b>123 916</b>	<b>49 802</b>	<b>176 107</b>	<b>-</b>	<b>176 107</b>
Net income attribution	-	-	-	-	49 802	(49 802)	-	-	-
Net income for the period	-	-	-	-	-	46 310	46 310	-	31 709
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46 310</b>	<b>46 310</b>	<b>-</b>	<b>46 310</b>
Dividend paid	-	-	-	-	(24 510)	-	(24 510)	-	(24 510)
Issued capital attributable to NCI	-	-	-	-	-	-	-	-	-
<b>As at September 30, 2020 Restated (a)</b>	<b>2 642</b>	<b>97</b>	<b>(350)</b>	<b>(350)</b>	<b>149 209</b>	<b>46 310</b>	<b>197 907</b>	<b>-</b>	<b>197 907</b>
<b>As at March 31, 2021</b>	<b>2 642</b>	<b>97</b>	<b>(413)</b>	<b>(413)</b>	<b>149 209</b>	<b>99 351</b>	<b>250 885</b>	<b>-</b>	<b>250 885</b>
IFRS 16 first application adjustments	-	-	-	-	-	-	-	-	-
<b>As at April 1, 2021</b>	<b>2 642</b>	<b>97</b>	<b>(413)</b>	<b>(413)</b>	<b>149 209</b>	<b>99 351</b>	<b>250 885</b>	<b>-</b>	<b>250 885</b>
Net income attribution	-	-	-	-	99 351	(99 351)	-	-	-
Net income for the period	-	-	-	-	-	11 076	11 076	-	11 076
Other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 076</b>	<b>11 076</b>	<b>-</b>	<b>11 076</b>
Dividend paid	-	-	-	-	(277 913)	-	(277 913)	-	(277 913)
Other	-	-	-	-	-	-	-	-	-
<b>As at September 30, 2021</b>	<b>2 642</b>	<b>97</b>	<b>(413)</b>	<b>(413)</b>	<b>(29 353)</b>	<b>11 076</b>	<b>(15 952)</b>	<b>-</b>	<b>(15 952)</b>

*The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements*

*(a) Comparative data for 2020 have been restated in the unaudited interim condensed consolidated financial statements as of September 30, 2021 to reflect the decision by the IFRS Interpretation Committee (IFRS IC) published in December 2019 on leases falling within the scope of IFRS 16. See note 2.3 Restatement of comparative information.*

## CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(In thousands of €)	Notes	For the six-month period ended September 30, 2021	For the six-month period ended September 30, 2020 Restated (a)
<b>Operating activities</b>			
Operating profit		73 434	81 192
Depreciation and impairment of property, plant and equipment		45 384	43 704
Amortisation and impairment of intangible assets		3 449	3 820
Other non-cash operating items		874	585
Interest received		13	45
Income tax paid		(27 373)	(20 984)
<i>Operating cash flows before change in working capital requirements</i>		<i>95 780</i>	<i>108 362</i>
Change in inventories		(8 136)	(12 623)
Change in trade and other receivables and prepayments		8 038	(71)
Change in trade and other payables		(53 224)	(21 637)
<b>Net cash flows from operating activities</b>		<b>42 457</b>	<b>74 031</b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment		105	102
Disposal of Italy, net of cash disposed of		-	64
Purchase of property, plant and equipment		(19 892)	(16 556)
Purchase of intangible assets		(5 138)	(4 280)
Purchase of financial instruments		(216)	(81)
Proceeds from sale of financial instruments		621	
<b>Net cash used in investing activities</b>		<b>(24 520)</b>	<b>(20 750)</b>
<b>Financing activities</b>			
Proceeds from borrowings		1 710 000	
Repayment of borrowings		(1 561 557)	(30 465)
Refinancing costs		(22 439)	-
Interest paid *		(33 068)	(27 590)
Interests paid related to lease contracts *		(3 278)	(3 097)
Payment related to leases contracts *		(27 440)	(28 796)
Dividends paid to equity holder of the parent		(276 356)	(24 510)
<b>Net cash flows from/(used in) financing activities</b>		<b>(214 138)</b>	<b>(114 458)</b>
Net increase / (decrease) in cash and cash equivalents		(196 201)	(61 178)
Cash and cash equivalents at the beginning of the period	10	291 695	220 699
<b>Cash and cash equivalents at the end of the period</b>	10	<b>95 494</b>	<b>159 521</b>

\*In accordance with IFRS 16, which the Group adopted as from April 1, 2019, payments under leases along with any related interest are shown in financing cash flows.

(a) Comparative data for 2020 have been restated in the unaudited interim condensed consolidated financial statements as of September 30, 2021 to reflect the decision by the IFRS Interpretation Committee (IFRS IC) published in December 2019 on leases falling within the scope of IFRS 16: See note 2.3 Restatement of comparative information.

**The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements**

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate information

Picard Bondco (previously named Lion Polaris Lux 2 S.A.) is a limited liability company, incorporated on August 9, 2010 and having its registered office in Luxembourg. The registered office of Picard Bondco is at 4 rue Lou-Hemmer, L-1748 Luxembourg-Findel. Picard Bondco is an affiliate (fully controlled) of Lion/Polaris Lux Topco S.à r.l.

Picard Bondco was incorporated for the purpose of acquiring Picard Groupe S.A.S., the leader in the frozen food production and distribution business in France. The acquisition was completed on October 14, 2010.

Picard Bondco (the “Company”) and its subsidiaries (together, the “Group”) operate in the frozen food production and distribution business, mainly in France. The Group’s financial year ends on March 31.

The present unaudited interim condensed consolidated financial statements cover the period from April 1, 2021 to September 30, 2021.

### 2. Basis of preparation and accounting principles

#### 2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements as at and for the six-month period ended September 30, 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the Group’s audited consolidated annual financial statements as at and for the year ended March 31, 2021.

The unaudited interim condensed consolidated financial statements are presented in thousands of euros, the Group’s functional and presentation currency. The figures in the tables have been individually rounded to the nearest thousand euros. Consequently, the totals and sub-totals may not correspond exactly to the sum of the reported amounts.

#### 2.1.1 New accounting standards and interpretations in effect starting from April 1, 2021

Since April 1, 2021, the Group has applied the following new amendments, standards, and interpretations previously endorsed by the European Union:



- ▶ Amendments to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond June 30, 2021 (applicable according to the IASB in accounting periods beginning on or after April 1, 2021);
- ▶ Amendments to IFRS 4 Deferral of IFRS 9 (applicable according to the IASB in accounting periods beginning on or after January 1, 2021); and
- ▶ Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (applicable according to the IASB in accounting periods beginning on or after January 1, 2021).

The adoption of these policies had no material impact on the Group's consolidated financial statements.

### **2.1.2 New accounting standards and interpretations with effect in future periods**

No new or amended standards or interpretations were adopted for use in the European Union and available for early adoption.

The new or amended standards and interpretations not yet adopted by the European Union are as follows:

- ▶ IFRS 17 Insurance contracts (applicable according to the IASB in accounting periods beginning on or after January 1, 2023);
- ▶ Amendments to IAS 1: Classification of Liabilities as Current or Non-current (applicable according to the IASB in accounting periods beginning on or after January 1, 2023);
- ▶ Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (applicable according to the IASB in accounting periods beginning on or after January 1, 2023);
- ▶ Amendments to IFRS 3 Business Combinations (applicable according to the IASB in accounting periods beginning on or after January 1, 2022);
- ▶ Amendments to IAS 16 Property, Plant and Equipment (applicable according to the IASB in accounting periods beginning on or after January 1, 2022);
- ▶ Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets (applicable according to the IASB in accounting periods beginning on or after January 1, 2022);
- ▶ Amendments to Annual Improvements 2018-2020 (applicable according to the IASB in accounting periods beginning on or after January 1, 2022);
- ▶ Amendments to IFRS 17 Insurance contracts (applicable according to the IASB in accounting periods beginning on or after January 1, 2023);
- ▶ Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable according to the IASB in accounting periods beginning on or after January 1, 2023); and

- ▶ Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable according to the IASB in accounting periods beginning on or after January 1, 2023).

The impact of these standards on the Group's results and financial situation is currently being evaluated and is not expected to be material.

## **2.2 Significant accounting judgments, estimates and assumptions**

The preparation of the Group's unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that can affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Group management reviews these estimates and assumptions on a regular basis to ensure that they are appropriate based on past experience and current economic conditions. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting periods are disclosed in the audited consolidated financial statements of the Group as at and for the year ended March 31, 2021.

As at September 30, 2021, the following estimates should be noted:

### *Valuation of tangible and intangible assets*

There was no indication of impairment of tangible and intangible assets as at September 30, 2021. As a result, no impairment test was performed at this date.

### *Valuation of financial assets*

The Group measured its investment in associates on the basis of available estimates and interim financial statements as of September 30, 2021. This measurement is based on the losses and impairments recorded in the financial statements of the associate, which reflect the best estimate of the associate's management.

The estimate of financial assets might be reassessed by the Group, if the existing assumptions are revised prior to the year ending March 31, 2022.

### *Employee benefits liabilities*

The cost of defined benefit pension plans and the present value of pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases,

mortality rates and future withdrawal rates of employees. As of September 30, 2021, assumptions remain unchanged compared to March 31, 2021.

The Group is currently reviewing the assumption regarding salary increase rates and might amend this assumption in future quarterly reports.

### *Lease terms*

Following the December 2019 publication of the IFRS IC decision clarifying the rules for determining the term of leases within the scope of IFRS 16 – Leases, the Group performed analyses to measure accounting impacts and implemented these new rules starting with the financial statements as at and for the period ended March 31, 2021.

These analyses also took into account the position statement published by the French accounting standards setter (Autorité des normes comptables – ANC) on July 3, 2020, which superseded the previous statement dated February 16, 2018, to determine the IFRS 16 lease terms of “3/6/9”- type French commercial leases, notably those which have entered an automatic renewal period.

The application of this IFRS IC interpretation is a change in accounting method requiring a retrospective calculation of the impacts as of April 1, 2019 (applying the same incremental borrowing rates table, between 1.2% and 2%, as the one initially used by the Group at the first-time application date, to the new lease terms).

## **2.3 Restatement of comparative information**

As indicated above, the Group applied the IFRS IC interpretation relating to the assessment of leases with retroactive effect from April 1, 2019, but only starting with the financial statements as at and for the period ended March 31, 2021. As a consequence, the comparative condensed financial statements as of and for the six months ended September 30, 2020 did not take into account these new rules and impacts.

The impact on the retrospective restatement of the unaudited interim condensed consolidated financial statements as at and for the six months ended September 30, 2020 is presented below:

## 2.3.1 Consolidated Income Statement

(In thousands of €)		For the three-month period ended September 30, 2020 As published	IFRS IC interpretation impacts	For the three-month period ended September 30, 2020 Restated	For the six-month period ended September 30, 2020 As published	IFRS IC interpretation impacts	For the six-month period ended September 30, 2020 Restated
	Notes						
Sales of goods	4	336 140	-	336 140	737 025	-	737 025
Cost of goods sold		(186 890)	-	(186 890)	(409 754)	-	(409 754)
<b>Gross profit</b>		<b>149 250</b>	-	<b>149 250</b>	<b>327 271</b>	-	<b>327 271</b>
Other operating income	5.1	1 345	1	1 346	2 750	(1)	2 749
Other purchase and external expenses		(45 842)	58	(45 784)	(94 170)	14	(94 156)
Taxes		(4 075)	-	(4 075)	(8 425)	-	(8 425)
Personnel expenses	5.2	(48 366)	-	(48 366)	(97 542)	-	(97 542)
Depreciation & amortization		(23 263)	(362)	(23 625)	(46 896)	(628)	(47 524)
Other operating expenses	5.3	(703)	-	(703)	(1 181)	-	(1 181)
<b>Operating profit</b>		<b>28 346</b>	<b>(303)</b>	<b>28 043</b>	<b>81 808</b>	<b>(616)</b>	<b>81 192</b>
Finance costs	5.4	(15 622)	(513)	(16 135)	(31 299)	(1 055)	(32 354)
Finance income / (loss)	5.4	49	1	49	118	1	119
Share of profit in an associate	6	(2 666)	-	(2 666)	(2 528)	-	(2 528)
<b>Income before tax</b>		<b>10 107</b>	<b>(815)</b>	<b>9 292</b>	<b>48 098</b>	<b>(1 670)</b>	<b>46 428</b>
Income tax expense / benefit	7	(5 132)	203	(4 929)	(20 638)	432	(20 206)
<b>Comprehensive income / (loss)</b>		<b>4 974</b>	<b>(612)</b>	<b>4 363</b>	<b>27 460</b>	<b>(1 238)</b>	<b>26 223</b>
Attributable to:							
Equity holders of the parent		4 974	(612)	4 363	27 460	(1 238)	26 223
Non-controlling interests		-	-	-	-	-	-
Earnings per share:							
Basic earnings per share (in euros)		1,88		1,65	10,39		9,93
Fully diluted earnings per share (in euros)		1,88		1,65	10,39		9,93

## 2.3.2 Consolidated Statement of Comprehensive Income

<i>(In thousands of €)</i>	Notes	For the three-month period ended September 30, 2020 As published	IFRS IC interpretation impacts	For the three-month period ended September 30, 2020 Restated	For the six-month period ended September 30, 2020 As published	IFRS IC interpretation impacts	For the six-month period ended September 30, 2020 Restated
<b>Net income / (loss)</b>		<b>4 974</b>	<b>(612)</b>	<b>4 363</b>	<b>27 460</b>	<b>(1 238)</b>	<b>26 223</b>
Net gain / (loss) on cash flow hedges	9.4	-	-	-	-	-	-
Income tax		-	-	-	-	-	-
		-	-	-	-	-	-
<b>Items not to be reclassified to profit and loss:</b>							
Actuarial gains / (loss) of the period		-	-	-	-	-	-
Income tax		-	-	-	-	-	-
		-	-	-	-	-	-
Foreign currency translation		-	-	-	-	-	-
		-	-	-	-	-	-
<i>Other comprehensive income / (loss) for the period, net of</i>		-	-	-	-	-	-
<b>Comprehensive income / (loss)</b>		<b>4 974</b>	<b>(612)</b>	<b>4 363</b>	<b>27 460</b>	<b>(1 238)</b>	<b>26 223</b>
Attributable to:							
Equity holders of the parent		4 974	(612)	4 363	27 460	(1 238)	26 223
Non-controlling interests		-	-	-	-	-	-

### 2.3.3 Consolidated Cash-Flows Statement

(In thousands of €)	Notes	For the six-month period ended September 30, 2020 As published	IFRS IC interpretation impacts	For the six-month period ended September 30, 2020 Restated (a)
<b>Operating activities</b>				
Operating profit		81 808	(616)	81 192
Depreciation and impairment of property, plant and equipment		43 704	-	43 704
Amortisation and impairment of intangible assets		3 192	628	3 820
Other non cash operating items		585	-	585
Interest received		45	-	45
Income tax paid		(20 984)	-	(20 984)
<i>Operating cash flows before change in working capital requirements</i>		<i>108 349</i>	<i>13</i>	<i>108 362</i>
Change in inventories		(12 623)	-	(12 623)
Change in trade and other receivables and prepayments		(71)	-	(71)
Change in trade and other payables		(21 637)	-	(21 637)
<b>Net cash flows from operating activities</b>		<b>74 018</b>	<b>13</b>	<b>74 031</b>
<b>Investing activities</b>				
Proceeds from sale of property, plant and equipment		102	-	102
Disposal of Italy, net of cash disposed of		64	-	64
Purchase of property, plant and equipment		(16 556)	-	(16 556)
Purchase of intangible assets		(4 280)	-	(4 280)
Purchase of financial instruments		(81)	-	(81)
<b>Net cash used in investing activities</b>		<b>(20 750)</b>	<b>-</b>	<b>(20 750)</b>
<b>Financing activities</b>				
Repayment of borrowings		(30 465)	-	(30 465)
Interest paid *		(27 590)	-	(27 590)
Interests paid related to lease contracts *		(2 041)	(1 055)	(3 097)
Payment related to leases contracts *		(29 839)	1 043	(28 796)
Dividends paid to equity holder of the parent		(24 510)	-	(24 510)
<b>Net cash flows from/(used in) financing activities</b>		<b>(114 445)</b>	<b>(13)</b>	<b>(114 458)</b>
Net increase / (decrease) in cash and cash equivalents		(61 178)	(0)	(61 178)
Cash and cash equivalents at the beginning of the period	10	220 699	-	220 699
			-	-
<b>Cash and cash equivalents at the end of the period</b>	10	<b>159 521</b>	<b>(0)</b>	<b>159 521</b>

### **3. Significant events and seasonality of operations**

#### **3.1 Significant events of the period**

The beginning of the period was marked by the continuing COVID-19 pandemic and associated restrictions in France (such as curfew and closure of restaurants), notably in April and May 2021. Such measures had a positive impact on both sales and operating profit. Restrictions have been progressively lifted since mid-May. During the six months ended September 30, 2021, the Picard stores were not impacted by any restrictions or closure.

On July 7, 2021, the Group successfully refinanced its debt. Picard Groupe S.A.S. issued €750 million aggregate principal amount of Sustainability-Linked Fixed Rate Senior Secured Notes due 2026, Lion/Polaris Lux 4 S.A. issued €650 million aggregate principal amount of Sustainability-Linked Floating Rate Senior Secured Notes due 2026 and Picard Bondco issued €310 million aggregate principal amount of Sustainability-Linked Senior Notes due 2027 (collectively, the “Notes”). The gross proceeds from the sale of the Notes, together with cash on hand, were used to (i) redeem Picard Bondco’s outstanding principal amount of senior notes due 2024 issued on December 14, 2017 and May 14, 2018 (the “2017 Senior Notes”), including accrued and unpaid interest and the applicable redemption premium, (ii) redeem Picard Groupe S.A.S.’s outstanding principal amount of senior secured notes due 2023 issued on December 14, 2017 (the “2017 Senior Secured Notes”), including accrued and unpaid interest, (iii) fund distributions to the shareholders of the Group, and (iv) pay fees and expenses related to these transactions.

#### **3.2 Seasonality of operations**

Seasonal fluctuations in the business are limited. Higher revenues and operating profits are usually expected in the third quarter of the year. Higher sales during December are mainly attributable to the Christmas and the New Year’s holidays.

### **4. Operating segment information**

For management purposes, the Group is organized into business units based on distribution networks. Following the development of the activity of the Group outside France, the Group has two reportable operating segments as follows:

- France; and
- Other.

The “Other” operating segment includes distribution activities in Belgium, Luxembourg and franchised and corner operations and partnerships in Italy, the Netherlands, Scandinavia, Japan, Singapore, the UK, the UAE, Hong-Kong and Taiwan as well as our holding company operations (other than Group financing and income taxes) in Luxembourg.



Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

	<i>(In thousands of €)</i>					
	<b>For the three-month period ended September 30, 2021</b>			<b>For the six-month period ended September 30, 2021</b>		
	<b>France</b>	<b>Other</b>	<b>Total</b>	<b>France</b>	<b>Other</b>	<b>Total</b>
Sales	323 673	8 660	332 333	716 398	17 214	733 612
Operating profit	24 608	633	25 241	72 184	1 250	73 434

	<i>(In thousands of €)</i>					
	<b>For the three-month period ended September 30, 2020 Restated</b>			<b>For the six-month period ended September 30, 2020 Restated</b>		
	<b>France</b>	<b>Other</b>	<b>Total</b>	<b>France</b>	<b>Other</b>	<b>Total</b>
Sales	326 676	9 464	336 140	717 577	19 448	737 025
Operating profit	27 100	944	28 044	79 060	2 133	81 193

Total operating profit decreased by M€ 7.8, from M€ 81.2 for the six-month period ended September 30, 2020 to M€ 73.4 for the six-month period ended September 30, 2021.

## 5. Other operating income/expenses

### 5.1 Other operating income

	<i>(In thousands of €)</i>			
	<b>For the three-month period ended September 30, 2021</b>	<b>For the three-month period ended September 30, 2020 Restated</b>	<b>For the six-month period ended September 30, 2021</b>	<b>For the six-month period ended September 30, 2020 Restated</b>
Capitalized expenses	-	461		779
Home Services shipping fees	413	282	857	922
Store rentals	142	113	266	219
Franchises	248	272	603	483
Other operating income	428	217	610	346
<b>Total other operating income</b>	<b>1 231</b>	<b>1 345</b>	<b>2 336</b>	<b>2 749</b>

## 5.2 Personnel expenses

<i>(In thousands of €)</i>	For the three-month period ended September 30, 2021	For the three-month period ended September 30, 2020 Restated	For the six-month period ended September 30, 2021	For the six-month period ended September 30, 2020 Restated
Wages and salaries	(33 605)	(33 159)	(67 342)	(64 949)
Social security costs	(10 137)	(9 881)	(20 250)	(19 655)
Pension costs	(64)	(108)	(158)	(145)
Employee profit sharing	(3 017)	(3 603)	(8 226)	(9 223)
Other employee benefits expenses	(1 828)	(1 616)	(3 931)	(3 570)
<b>Total personnel expenses</b>	<b>(48 650)</b>	<b>(48 366)</b>	<b>(99 907)</b>	<b>(97 542)</b>

Total personnel expenses increased by M€ 2.4, from M€ 97.5 for the six-month period ended September 30, 2020 to M€ 99.9 for the six-month period ended September 30, 2021.

## 5.3 Other operating expenses

<i>(In thousands of €)</i>	For the three-month period ended September 30, 2021	For the three-month period ended September 30, 2020 Restated	For the six-month period ended September 30, 2021	For the six-month period ended September 30, 2020 Restated
Royalties	(136)	(55)	(276)	(262)
Losses on bad debt	(116)	(222)	(339)	(375)
Other operating expenses	(286)	(427)	(498)	(545)
<b>Total other operating expenses</b>	<b>(538)</b>	<b>(704)</b>	<b>(1 113)</b>	<b>(1 182)</b>

## 5.4 Finance income and costs

<i>(In thousands of €)</i>	For the three-month period ended September 30, 2021	For the three-month period ended September 30, 2020 Restated	For the six-month period ended September 30, 2021	For the six-month period ended September 30, 2020 Restated
Interest expenses	(18 320)	(14 450)	(32 630)	(28 907)
Non-amortized issuance fees & early redemption penalty	(14 307)		(14 307)	
Net interests related to leases commitment	(1 570)	(1 543)	(3 203)	(3 125)
Interest costs of employee benefits	(99)	(56)	(168)	(182)
Other financial expense	(181)	(86)	(275)	(140)
<b>Finance costs</b>	<b>(34 477)</b>	<b>(16 135)</b>	<b>(50 583)</b>	<b>(32 354)</b>
Income on loans and receivables	1	6	8	13
Income on short-term investment	(7)	18	18	45
Foreign exchange gains	-	2		2
Other financial income	2	22	7	58
<b>Finance income</b>	<b>(4)</b>	<b>48</b>	<b>33</b>	<b>118</b>

As part of the refinancing of its debt (as described in notes 3.1 - *Significant events of the period* and 9.2 - *Interest-bearing loans and borrowings*), the Group fully redeemed its 2017 Senior Secured Notes and its 2017 Senior Notes during the second quarter of the financial year. This early redemption resulted in non-recurring finance costs of K€ 14,307, corresponding to the write-off of the non-amortized issuance fees (K€ 5,782) and the early redemption penalty of the 2017 Senior Notes (K€ 8,525).

The K€ 3,203 net interests related to leases commitment represents the financial interests calculated on lease liabilities recognized in accordance with IFRS 16.

## 6. Investment in an associate

The Group has a 37.21% interest in Primex International S.A., which is involved in the importation and wholesale of frozen meat and seafood.

Primex International is a private entity incorporated in France that is not listed on any public exchange. The following table illustrates summarized financial information of the Group's investment in Primex International S.A.:

<i>(In thousands of €)</i>	<b>As at September 30, 2021</b>	<b>As at March 31, 2021</b>
Share of the associate's statement of financial position:		
Non-current assets	6 284	6 307
Current assets	11 836	9 716
Current liabilities	11 300	9 590
Non-current liabilities	2 269	2 387
<b>Equity</b>	<b>4 551</b>	<b>4 046</b>
Share of the associate's revenue and profit:		
Revenue	11 087	30 042
Profits / Losses	505	(2 352)
<b>Carrying amount of the investment</b>	<b>4 488</b>	<b>3 982</b>

<i>(In thousands of €)</i>	<b>As at September 30, 2021</b>	<b>As at March 31, 2021</b>
<b>Carrying value at opening</b>	<b>3 982</b>	<b>6 333</b>
Share of profit in an associate	505	(2 352)
Distribution of dividends	-	-
<b>Carrying value at closing</b>	<b>4 488</b>	<b>3 982</b>

Primex Norway, a subsidiary of Primex International S.A., developed a fish plant in Norway in 2018 and has since faced significant start-up costs in connection with the operation of this facility.

Primex International S.A. recorded on March 31, 2020 a non-cash impairment of its investment in Primex Norway to reflect these operational losses. Based on the activity of the plant since January 2020, the Group recorded additional depreciation in September 2020. The activity of this plant has now improved but the valuation of Primex International will continue to be closely monitored by the Group.

## 7. Income tax expense

The Group calculates income tax expense using an estimated tax rate that would be applicable to the expected total annual earnings (projected pre-tax income at year-end). The estimated average annual tax rate used is 39%, including Business Contribution on Value Added (“CVAE”), which is accounted for as an income tax in line with IAS 12. The projected annual tax rate amounted to 42% in previous periods.

## 8. Leases

### 8.1 Breakdown of Right of Use recognized under IFRS 16

<i>(In thousands of €)</i>		Leasehold rights	Land & Buildings	Vehicles	Right of Use Asset
<b>Cost:</b>					
As at April 1, 2021		48 167	482 453	6 791	537 411
Additions			14 044	903	14 947
Disposals			(638)	(382)	(1 020)
Others					-
As at 30 september 2021		48 167	495 859	7 312	551 338
<b>Depreciation and impairment:</b>					
As at April 1, 2021		(450)	(106 404)	(2 632)	(109 486)
Additions			(27 314)	(1 072)	(28 386)
Disposals			108	378	486
Others			-		-
As at 30 september 2021		(450)	(133 610)	(3 326)	(137 386)
<b>Net book value:</b>					
As at April 1, 2021		47 717	376 049	4 159	427 925
As at 30 september 2021		47 717	362 250	3 986	413 952

## 8.2 Breakdown of Other purchase and external expenses

<i>(In thousands of €)</i>	For the six-month period ended September 30, 2021	For the six-month period ended September 30, 2020
Rent expenses	(1 153)	(1 167)
Other purchase and external expenses (excluding Rent expenses)	(97 900)	(92 989)
<b>Total Other purchase and external expenses</b>	<b>(99 054)</b>	<b>(94 156)</b>

Rent expenses represent leases (following the adoption of IFRS 16) that have a term shorter than 12 months and leases valued at less than K\$ 5.

## 8.3 Breakdown of Depreciation & amortization

<i>(In thousands of €)</i>	For the six-month period ended September 30, 2021	For the six-month period ended September 30, 2020
Depreciation & amortization of tangible Right of Use	(28 386)	(28 023)
Depreciation & amortization of other fixed assets	(20 446)	(19 500)
<b>Total Depreciation &amp; amortization</b>	<b>(48 832)</b>	<b>(47 524)</b>

Depreciation and amortization of right-of-use assets relate to the depreciation of the right-of-use assets recognized in accordance with IFRS 16.

## 9. Financial assets and financial liabilities

### 9.1 Other current and non-current financial assets

<i>(In thousands of €)</i>	As at September 30, 2021	As at March 31, 2021
Deposits and guarantees	10 438	10 460
Related party loans	11	345
Other	500	536
<b>Other financial assets</b>	<b>10 950</b>	<b>11 341</b>
of which non-current	10 871	11 266
of which current	78	75

Other financial assets of K€ 500 represent the amount of financial receivables recognized in respect of sub-letting arrangements granted over the residual period of the leases concerned in accordance with IFRS16 (K€ 78 of which was recorded as current as at September 30, 2021).

## 9.2 Interest-bearing loans and borrowings

<i>(In thousands of €)</i>			As at September 30, 2021	As at March 31, 2021
	Coupon interest rate	Maturity		
<b>Current</b>				
Current portion of interest payable on loans and borrowings			11 868	4 393
Bank overdrafts		On demand	33	39
<b>Total current interest bearing loans and borrowings</b>			<b>11 901</b>	<b>4 432</b>
<b>Non-current</b>				
Senior secured notes 2023 (1250M€)	Euribor 3M + margin 3%	2023		1 245 435
Senior notes 2024 (310M€)	5.5%	2024		308 707
Senior secured notes 2026 (750M€)	3.875%	2026	739 961	
Senior secured notes 2026 (650M€)	Euribor 3M + margin 4%	2026	642 065	
Senior notes 2027 (310M€)	5.375%	2027	306 218	
<b>Total non-current interest bearing loans and borrowings</b>			<b>1 688 244</b>	<b>1 554 142</b>
<b>Total interest bearing loans and borrowings</b>			<b>1 700 145</b>	<b>1 586 566</b>

On July 7, 2021, the Group successfully refinanced its debt. Picard Groupe S.A.S. issued €750 million aggregate principal amount of Sustainability-Linked Fixed Rate Senior Secured Notes due 2026, Lion/Polaris Lux 4 S.A issued €650 million aggregate principal amount of Sustainability-Linked Floating Rate Senior Secured Notes due 2026 and Picard Bondco issued €310 million aggregate principal amount of Sustainability-Linked Senior Notes due 2027 (collectively, the “Notes”). The gross proceeds from the sale of the Notes, together with cash on hand, were used to (i) redeem Picard Bondco’s outstanding principal amount of the 2017 Senior Notes including accrued and unpaid interest and the applicable redemption premium, (ii) redeem Picard Groupe S.A.S.’s outstanding principal amount of 2017 Senior Secured Notes, including accrued and unpaid interest, (iii) fund distributions to the shareholders of the Group, and (iv) pay fees and expenses related to these transactions.

The Notes issued have the following characteristics:

- Picard Groupe S.A.S., a subsidiary of the Company, issued M€ 750 of fixed rate senior secured notes due 2026 in July 2021. These floating rate senior secured notes are payable after five years on July 1, 2026. Interest is paid twice a year at a fixed interest rate of 3.875% per annum. The senior secured notes are refundable “in fine”.
- Lion Polaris Lux 4 S.A.S, a subsidiary of the Company, issued M€ 650 of floating rate senior secured notes due 2026 in July 2021. These floating rate senior secured notes are payable after five years on July 1, 2026. Interest is paid quarterly based on a variable interest rate fixed in reference to a market rate (three-month Euribor, subject to a 0% floor) increased by a margin of 4% per annum. The floating rate senior secured notes are refundable “in fine”.

- The Company issued M€310 of fixed rate senior notes due 2027 in July 2021. These senior notes are payable after six years on July 1, 2027, and interest is paid twice a year based on a fixed interest rate of 5.375% per annum. The senior notes are refundable “in fine”.

### 9.3 Other financial liabilities

<i>(In thousands of €)</i>	<b>As at September 30, 2021</b>	<b>As at March 31, 2021</b>
<b>Current</b>		
Lease Debt	55 813	54 938
<b>Total other current financial liabilities</b>	<b>55 813</b>	<b>54 938</b>
<b>Non current</b>		
Lease Debt	314 878	328 579
Others	75	63
<b>Total other non-current financial liabilities</b>	<b>314 953</b>	<b>328 642</b>
<b>Total other financial liabilities</b>	<b>370 767</b>	<b>383 580</b>

In accordance with IFRS 16, the Group has recognized, as of April 1, 2019, the lease liabilities relating to the accounting of the right of use asset. This debt amounts to M€ 370.8 as of September 30, 2021.

### 9.4 Hedging activities and derivatives

#### *Cash Flow Hedges*

As at September 30, 2021, the Group has not entered into any hedging arrangements.

### 9.5 Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the unaudited interim condensed consolidated financial statements.



<i>(In thousands euros)</i>	Carrying amount	Fair value	Carrying amount	Fair value
	September 30, 2021	September 30, 2021	March 31, 2021	March 31, 2021
Coupon interest rate				
<b>Financial assets</b>				
Trade and other receivables	48 525	48 525	56 563	56 563
Income tax receivable	16 383	16 383	3 216	3 216
Other financial assets	10 950	10 950	11 341	11 341
Cash and cash equivalents	95 526	95 526	291 734	291 734
<b>Total</b>	<b>171 385</b>	<b>171 385</b>	<b>362 854</b>	<b>362 854</b>
<b>Financial liabilities</b>				
Fixed rate borrowings	(1 046 179)	(1 073 601)	(308 707)	(317 800)
Obligations under finance leases	(81)	(81)	(130)	(130)
Floating rate borrowings	(642 065)	(653 055)	(1 245 435)	(1 249 790)
Lease commitments	(370 692)	(370 692)	(383 580)	(383 580)
Interest rate swap	-	-	-	-
Trade and other payables	(251 882)	(251 882)	(305 106)	(305 106)
Income tax payable	-	-	(1 327)	(1 327)
Bank overdraft	(33)	(33)	(39)	(39)
<b>Total</b>	<b>(2 310 931)</b>	<b>(2 349 343)</b>	<b>(2 244 323)</b>	<b>(2 257 771)</b>

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, provision allowances are taken into account for the expected losses relating to these receivables. As at September 30, 2021, the carrying amounts of such receivables, net of provision allowances, approximated their fair values.
- Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial indebtedness, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities. Because of the lack of similar transactions due to the current economic context, credit spreads of fixed rate borrowings have been considered to be equal to the credit spread applied at the inception of the debt.

### ***Fair value hierarchy***

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

*Level 1:* quoted (unadjusted) prices in active markets for identical assets or liabilities;

*Level 2:* other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

*Level 3:* techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of all interest rate derivatives is determined through level 2 valuation techniques, although the Group currently has no interest rate swap agreement outstanding. The fair value of long-term debt is determined using price quotations, when available, at the reporting date (level 1).

## **10. Cash and cash equivalents**

<i>(In thousands of €)</i>	<b>September 30, 2021</b>	<b>March 31, 2021</b>	<b>September 30, 2020</b>	<b>March 31, 2020</b>
Cash at banks and on hand	92 668	288 875	164 776	217 848
Securities	2 858	2 859	2 859	2 859
<b>Cash and cash equivalents</b>	<b>95 526</b>	<b>291 734</b>	<b>167 635</b>	<b>220 707</b>

For the purpose of the cash flow statement, cash and cash equivalents are net of bank overdrafts:

<i>(In thousands of €)</i>	<b>September 30, 2021</b>	<b>March 31, 2021</b>	<b>September 30, 2020</b>	<b>March 31, 2020</b>
Cash and cash equivalents	95 526	291 734	167 635	220 707
Bank overdrafts	(33)	(39)	(8 113)	(8)
<b>Cash and cash equivalents position</b>	<b>95 493</b>	<b>291 695</b>	<b>159 522</b>	<b>220 699</b>

## **11. Events after the reporting period**

There has been no significant event since September 30, 2021.